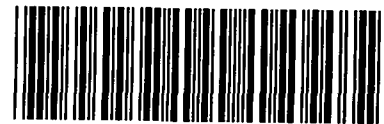


Independent Trustee Services Limited

**Annual report and financial statements
for the year ended 31 December 2014**

Company Number: 02567540

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Independent Trustee Services Limited

(Company Number: 02567540)

Strategic Report for the year ended 31 December 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

Business review

Independent Trustee Services Limited is a member of the Jardine Lloyd Thompson Group (JLT Group) of companies. The Company is part of the UK and Ireland Employee Benefits division which forms part of the International Employee Benefits operation of the Group.

The principal activity of the Company was to act as independent corporate trustee to pension funds.

Turnover for the year of £5,031,942 (2013: £4,805,585) was up 5% on 2013. Operating profit of £1,468,561 (2013: £2,004,475) produced an underlying trading margin of 29%, compared to 42% last year. Profit on ordinary activities before taxation amounts to £1,676,632 (2013: £2,161,632).

The results of the Company for the year ended 31 December 2014 are set out in the financial statements on pages 9 to 18.

Principal risks and uncertainties and financial risk management

On an ongoing basis, management profiles the significant risks, both operational and strategic, faced by the Company and reviews the effectiveness of risk management controls including loss prevention and recovery planning.

This exercise covers a broad range of risks, including operational, financial, information technology, health and safety, human resource and legal areas.

The key operational risks facing the Company include errors and omissions, failure of business planning, regulatory sanctions and IT security.

Key performance indicators (KPIs)

The Company has selected year on year revenue increase/decrease and trading margin as key metrics for monitoring its performance.

Year on year revenue increase/decrease - defined as increase or decrease in revenue over the prior year as a percentage of prior year.

Trading margin - defined as turnover less expenses for continuing operations (before interest payable and interest earnings on own funds) as a percentage of turnover.

	2014	2013
Year on year revenue increase/(decrease)	4.7%	(6.9)%
Trading margin	29.2%	41.7%

Independent Trustee Services Limited

(Company Number: 02567540)

Strategic Report for the year ended 31 December 2014

Approved by the Board on 13 May 2015 and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'C' and 'M' intertwined, positioned above a horizontal dotted line.

C P V Martin
Director

Independent Trustee Services Limited

(Company Number: 02567540)

Directors' Report for the year ended 31 December 2014

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2014.

Future Outlook

The directors continue to have confidence in the future of the business and its continued operation.

Dividends

Final dividends of £nil were recommended by the directors and paid during the year (2013: £500,000).

Suppliers

The Company agrees payment terms with suppliers when it enters into contracts for the purchase of goods or services and seeks to abide by those terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Payment of suppliers has been centralised for all UK operating companies of Jardine Lloyd Thompson Group plc, and is carried out by JLT Management Services Limited and then recharged onto the Company by means of an inter-company recharge. The Group does not have a standard or code that deals specifically with the payment of suppliers.

Independent Trustee Services Limited

(Company Number: 02567540)

Directors' Report for the year ended 31 December 2014

Directors

The directors set out below held office during the year ended 31 December 2014 and up to the date of signing these financial statements:

P A Askins

R C Boniface

H Kotecha

C P V Martin

M W Miles

C A Perry

J Tinn

M Trouard-Riolle

P Wadsworth - (Resigned on 1 October 2014)

E C White (Resigned on 4 April 2014)

R V Whitefoord

There being no provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Trustee Services Limited

(Company Number: 02567540)

Directors' Report for the year ended 31 December 2014

Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board on 13 May 2015 and signed on its behalf by:



.....
C P V Martin
Director

Independent Trustee Services Limited

Independent Auditors' report to the members of Independent Trustee Services Limited for the year ended 31 December 2014

Report on the financial statements

Our Opinion

In our opinion, Independent Trustee Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Independent Trustee Services Limited's financial statements comprise:

- the Profit and Loss account for the year ended 31 December 2014;
- the Balance Sheet at 31 December 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Trustee Services Limited

Independent Auditors' report to the members of Independent Trustee Services Limited for the year ended 31 December 2014

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Trustee Services Limited

Independent Auditors' report to the members of Independent Trustee Services Limited for the year ended 31 December 2014

Responsibilities for the financial statements and the audit (continued)

What an audit of financial statements involves

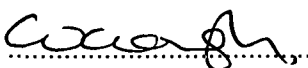
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Claire Clough (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

13 May 2015

Independent Trustee Services Limited

Profit and loss account for the year ended 31 December 2014

	Note	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Turnover	3	5,031,942	4,805,585
Administrative expenses		<u>(3,563,381)</u>	<u>(2,801,110)</u>
Operating profit	4	<u>1,468,561</u>	<u>2,004,475</u>
Profit on ordinary activities before interest and taxation		1,468,561	2,004,475
Interest receivable and similar income	8	310,872	249,055
Interest payable and similar charges	9	<u>(102,801)</u>	<u>(91,898)</u>
Profit on ordinary activities before taxation		1,676,632	2,161,632
Tax on profit or loss on ordinary activities	10	<u>142,218</u>	<u>108,432</u>
Profit for the financial year		<u><u>1,818,850</u></u>	<u><u>2,270,064</u></u>

The activities of the Company relate entirely to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains or losses for the year other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

Independent Trustee Services Limited
Balance sheet at 31 December 2014

	Note	31 December 2014 £	31 December 2013 £
Current assets			
Debtors	12	10,850,240	9,142,821
Cash at bank and in hand		<u>25,066</u>	<u>55,853</u>
		10,875,306	9,198,674
Creditors - amounts falling due within one year	13	<u>(360,361)</u>	<u>(502,579)</u>
Net current assets		<u>10,514,945</u>	<u>8,696,095</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	<u>10,514,845</u>	<u>8,695,995</u>
Total shareholders' funds		<u>10,514,945</u>	<u>8,696,095</u>

The financial statements on pages 9 to 18 were approved by the Board of Directors on 13 May 2015 and were signed on its behalf by:



.....
C P V Martin
Director

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

1 Accounting policies

a Basis of preparation

The financial statements are prepared under the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom which have been consistently applied.

A summary of the principal company accounting policies is set out below.

b Turnover

Turnover represents the invoiced value of services in the United Kingdom and is recognised at the invoice date or in the case of accrued income in the period to which it relates. All turnover is net of Value Added Tax.

c Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

d Work in progress

Contract work in progress is disclosed as accrued revenue and is valued at cost less any provisions considered necessary to reduce carrying amounts to their net realisable value.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

2 Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Jardine Lloyd Thompson Group plc and is included in the consolidated financial statements of that group, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Jardine Lloyd Thompson Group or investees of the Jardine Lloyd Thompson Group. All related party transactions external to the Group are disclosed in the consolidated financial statements of Jardine Lloyd Thompson Group plc.

3 Turnover

All turnover and profit before taxation is derived from within the United Kingdom and is attributable to the principal activity of the Company, which is to act as independent corporate trustee to pension funds.

4 Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Management charges from other group companies	3,563,346	2,724,925
Other	35	76,185
	<u>3,563,381</u>	<u>2,801,110</u>

5 Auditors' remuneration

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Audit of the Company	<u>8,602</u>	<u>6,941</u>

The Auditors' remuneration is paid, on behalf of the Company, by a fellow subsidiary, JLT Benefit Solutions Limited which is part of Jardine Lloyd Thompson Group plc.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

6 Directors' emoluments

The directors' remuneration for the year was as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Aggregate emoluments excluding pension scheme contributions	1,194,695	861,220
Company contributions for money purchase pension schemes	47,140	58,076
	<u>1,241,835</u>	<u>919,296</u>

There were 8 directors (2013 - 11) for whom retirement benefits were accruing under money purchase pension schemes.

All the costs in relation to Directors have been borne by JLT Benefit Solutions Limited, a fellow group company.

Highest paid director

The total amount of emoluments (excluding shares) for the highest paid director is as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Aggregate emoluments excluding pension scheme contributions	207,983	120,825
Company contributions to the defined contribution section of the pension scheme	10,740	9,600
Defined benefit accrued lump sum at the end of the year	39,656	46,410
	<u>258,379</u>	<u>176,835</u>

The highest paid director exercised share options during the year and received shares under the executive long-term incentive scheme.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

7 Employee information

The Company did not employ any staff other than Directors during the year. The remuneration paid to Directors in the year was paid through fellow group subsidiary, JLT Benefit Solutions Limited.

8 Interest receivable and similar income

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Interest receivable – Group	310,872	249,055
	<u>310,872</u>	<u>249,055</u>

9 Interest payable and similar charges

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Interest payable - Group	102,801	91,898
	<u>102,801</u>	<u>91,898</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

10 Tax on profit on ordinary activities

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
UK Corporation Tax		
Current tax on profit for the year	360,476	502,579
Adjustments in respect of prior years	<u>(502,694)</u>	<u>(611,011)</u>
	<u>(142,218)</u>	<u>(108,432)</u>
Tax on profit on ordinary activities	<u>(142,218)</u>	<u>(108,432)</u>

The UK Government has announced various measures in relation to UK corporation tax including a 2% reduction in the headline rate of corporation tax from April 2014, and a reduction of 1% in 2015. These reductions reduce the UK tax rate from 23% to 20%. As at 31 December 2014 the 2% rate reduction to 21% is already in force and the subsequent 1% rate reduction has been enacted. The impact of the 2% and 1% reduction have therefore been incorporated into the income tax charge for the year ended 31 December 2014.

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 21.50%.

The tax charge for the year is lower than (2013 -lower than) the standard rate of Corporation Tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Profit on ordinary activities before taxation	<u>1,676,632</u>	<u>2,161,632</u>
Tax calculated at UK Corporation Tax rate of 21.50% (2013: 23.25%)	360,476	502,579
Adjustments to current tax in respect of prior years	<u>(502,694)</u>	<u>(611,011)</u>
Current tax charge for the year	<u>(142,218)</u>	<u>(108,432)</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

11 Dividends

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Final dividend declared at 31 December 2014 is Nil (2013: £500,000).	-	500,000

12 Debtors

	31 December 2014 £	31 December 2013 £
Amounts falling due within one year		
Trade debtors	1,120,846	961,576
Amounts owed by group undertakings	9,393,166	7,798,018
Prepayments and accrued income	336,228	383,227
	<u>10,850,240</u>	<u>9,142,821</u>

An effective interest rate of 2.24% (2013: 2.04%) has been charged on certain amounts owed by group undertakings. The remaining amounts are unsecured, interest free and repayable on demand.

13 Creditors - amounts falling due within one year

	31 December 2014 £	31 December 2013 £
Corporation tax	<u>360,361</u>	<u>502,579</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

14 Called up share capital

Allotted and fully paid

	2014		2013	
	Number of shares	Nominal value £	Number of shares	Nominal value £
100 ordinary shares of £1.00 each	100	100	100	100

15 Reserves

	Profit and loss account £	Total £
At 1 January 2014	8,695,995	8,695,995
Profit for the financial year	<u>1,818,850</u>	<u>1,818,850</u>
At 31 December 2014	<u>10,514,845</u>	<u>10,514,845</u>

16 Reconciliation of movement in shareholders' funds

	31 December 2014 £	31 December 2013 £
Profit for the financial year	1,818,850	2,270,064
Dividends	<u>-</u>	<u>(500,000)</u>
Net addition to shareholders' funds	1,818,850	1,770,064
Opening shareholders' funds	<u>8,696,095</u>	<u>6,926,031</u>
Closing shareholders' funds	<u>10,514,945</u>	<u>8,696,095</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2014

17 Parent undertakings

The Company's immediate parent undertaking is JLT Benefit Solutions Limited, a company registered in England.

Jardine Lloyd Thompson Group plc is the ultimate parent undertaking and controlling party for which consolidated group financial statements are prepared and of which the Company is a member.

Copies of the group financial statements can be obtained from:

Name	Jardine Lloyd Thompson Group plc
Country of incorporation or registration	England
Address from where copies of the group financial statements can be obtained	The St Botolph Building, 138 Houndsditch London EC3A7AW